

# **Senate File 425 - Introduced**

SENATE FILE 425  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1042)

## **A BILL FOR**

1 An Act relating to utilization of filing services offered by  
2 the secretary of state.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9.11, subsection 1, Code 2023, is amended  
2 by adding the following new paragraph:

3 NEW PARAGRAPH. j. Chapter 524, including as provided in  
4 section 524.303.

5 Sec. 2. Section 9.15, Code 2023, is amended to read as  
6 follows:

7 **9.15 Expedited filing service — surcharge.**

8 1. Upon the request of the filer of a document, the  
9 secretary shall provide an expedited filing service. As part  
10 of the service, the secretary shall file a document submitted  
11 by a filer on an expedited basis.

12 2. The secretary shall implement, assess, and collect a  
13 surcharge for providing the expedited filing service based on  
14 the period of service as follows:

15 a. For a one-hour service, the surcharge shall be two  
16 hundred fifty dollars.

17 b. For a same-day service, the surcharge shall be one  
18 hundred seventy-five dollars.

19 ~~a.~~ c. For a two-day service, the surcharge shall be fifty  
20 dollars.

21 ~~b.~~ d. For a five-day service, the surcharge shall be  
22 fifteen dollars.

23 3. At the time of the expedited filing, the secretary shall  
24 provide written confirmation of the filing.

25 ~~3.~~ 4. The surcharge shall be added to the amount of the fee  
26 implemented, assessed, and collected for the actual filing of  
27 the document.

28 ~~4.~~ 5. Any moneys collected by the secretary under this  
29 section shall be deposited in the business administration fund  
30 created in [section 9.13](#).

31 Sec. 3. Section 489.706, subsection 1, paragraph d, Code  
32 2023, is amended by striking the paragraph.

33 Sec. 4. Section 489.706, subsection 2, Code 2023, is amended  
34 by striking the subsection.

35 Sec. 5. Section 489.706, subsection 3, Code 2023, is amended

1 to read as follows:

2 3. If the secretary of state determines that the application  
 3 contains the information required by subsection 1, ~~and that~~  
 4 ~~a delinquency or liability reported pursuant to subsection 2~~  
 5 ~~has been satisfied,~~ and that the information is correct, the  
 6 secretary of state shall cancel the declaration of dissolution  
 7 and prepare a certificate of reinstatement that recites the  
 8 secretary of state's determination and the effective date  
 9 of reinstatement, file the original of the certificate, and  
 10 serve a copy on the limited liability company under section  
 11 489.116. If the limited liability company's name in subsection  
 12 1, paragraph "c", is different than the name in subsection  
 13 1, paragraph "a", the certificate of reinstatement shall  
 14 constitute an amendment to the limited liability company's  
 15 certificate of organization insofar as it pertains to its  
 16 name. A limited liability company shall not relinquish the  
 17 right to retain its name as provided in section 489.108, if the  
 18 reinstatement is effective within five years of the effective  
 19 date of the limited liability company's dissolution.

20 Sec. 6. Section 490.122, subsection 1, paragraph ad, Code  
 21 2023, is amended by striking the paragraph.

22 Sec. 7. Section 490.122, Code 2023, is amended by adding the  
 23 following new subsection:

24 NEW SUBSECTION. 4. The secretary of state may impose,  
 25 assess, and collect a filing fee as a condition to accepting a  
 26 biennial report as provided in section 490.1621.

27 Sec. 8. Section 490.1422, subsection 1, paragraph d, Code  
 28 2023, is amended by striking the paragraph.

29 Sec. 9. Section 490.1422, subsection 2, Code 2023, is  
 30 amended to read as follows:

31 2. ~~a. The secretary of state shall refer the federal~~  
 32 ~~tax identification number contained in the application for~~  
 33 ~~reinstatement to the department of workforce development. The~~  
 34 ~~department shall report to the secretary of state the tax~~  
 35 ~~status of the corporation. If the department reports to the~~

1 ~~secretary of state that a filing delinquency or liability~~  
2 ~~exists against the corporation, the secretary of state shall~~  
3 ~~not cancel the certificate of dissolution until the filing~~  
4 ~~delinquency or liability is satisfied.~~

5     ~~b.~~ (1) a. If the secretary of state determines that the  
6 application contains the information required by subsection  
7 1, ~~and that a delinquency or liability reported pursuant to~~  
8 ~~paragraph "a" has been satisfied,~~ and that the information is  
9 correct, the secretary of state shall cancel the certificate  
10 of dissolution and prepare a certificate of reinstatement  
11 that recites the secretary of state's determination and the  
12 effective date of reinstatement, file the certificate of  
13 reinstatement, and deliver a copy to the corporation under  
14 section 490.504.

15     (2) b. If the corporate name in subsection 1, paragraph  
16 "c", is different from the corporate name in subsection  
17 1, paragraph "a", the certificate of reinstatement shall  
18 constitute an amendment to the articles of incorporation  
19 insofar as it pertains to the corporate name. A corporation  
20 shall not relinquish the right to retain its corporate name  
21 if the reinstatement is effective within five years of the  
22 effective date of the corporation's dissolution.

23     Sec. 10. Section 490.1621, subsection 4, Code 2023, is  
24 amended to read as follows:

25     4. The first biennial report shall be delivered to the  
26 secretary of state between January 1 and April 1 of the first  
27 even-numbered year following the calendar year in which a  
28 domestic corporation was incorporated or a foreign corporation  
29 was registered to do business in this state. Subsequent  
30 biennial reports must be delivered to the secretary of state  
31 between January 1 and April 1 of the following even-numbered  
32 calendar years. A filing fee for the biennial report shall  
33 be determined by the secretary of state pursuant to section  
34 490.122. For purposes of this section, each biennial report  
35 shall contain information related to the two-year period

1 immediately preceding the calendar year in which the report is  
2 filed.

3 Sec. 11. Section 501.813, subsection 1, paragraph d, Code  
4 2023, is amended by striking the paragraph.

5 Sec. 12. Section 501.813, subsection 2, Code 2023, is  
6 amended to read as follows:

7 2. ~~a. The secretary of state shall refer the federal~~  
8 ~~tax identification number contained in the application for~~  
9 ~~reinstatement to the department of workforce development.~~  
10 ~~The department of workforce development shall report to the~~  
11 ~~secretary of state the tax status of the cooperative. If the~~  
12 ~~department reports to the secretary of state that a filing~~  
13 ~~delinquency or liability exists against the cooperative,~~  
14 ~~the secretary of state shall not cancel the certificate of~~  
15 ~~dissolution until the filing delinquency or liability is~~  
16 ~~satisfied.~~

17 ~~b.~~ (1) a. If the secretary of state determines that the  
18 application contains the information required by subsection  
19 1, ~~and that a delinquency or liability reported pursuant to~~  
20 ~~paragraph "a" has been satisfied,~~ and that the information is  
21 correct, the secretary of state shall cancel the certificate  
22 of dissolution and prepare a certificate of reinstatement  
23 that recites the secretary of state's determination and the  
24 effective date of reinstatement, file the document, and deliver  
25 a copy to the cooperative under [section 501.106](#).

26 (2) b. If the name of the cooperative as provided in  
27 subsection 1, paragraph "c", is different than the name in  
28 subsection 1, paragraph "a", the certificate of reinstatement  
29 shall constitute an amendment to the articles of association  
30 insofar as it pertains to the name. A cooperative shall not  
31 relinquish the right to retain its name if the reinstatement  
32 is effective within five years of the effective date of the  
33 cooperative's dissolution.

34 Sec. 13. Section 504.1423, subsection 1, paragraph d, Code  
35 2023, is amended by striking the paragraph.

1     Sec. 14. Section 504.1423, subsection 2, Code 2023, is  
2 amended to read as follows:

3     2. ~~*a.* The secretary of state shall refer the federal~~  
4 ~~tax identification number contained in the application for~~  
5 ~~reinstatement to the department of workforce development.~~  
6 ~~The department of workforce development shall report to the~~  
7 ~~secretary of state the tax status of the corporation. If the~~  
8 ~~department reports to the secretary of state that a filing~~  
9 ~~delinquency or liability exists against the corporation,~~  
10 ~~the secretary of state shall not cancel the certificate of~~  
11 ~~dissolution until the filing delinquency or liability is~~  
12 ~~satisfied.~~

13     ~~*b.*~~ (1) *a.* If the secretary of state determines that the  
14 application contains the information required by subsection 1,  
15 ~~that a delinquency or liability reported pursuant to paragraph~~  
16 ~~"a" has been satisfied,~~ and that all of the application  
17 information is correct, the secretary of state shall cancel  
18 the certificate of dissolution and prepare a certificate of  
19 reinstatement reciting that determination and the effective  
20 date of reinstatement, file the document, and deliver a copy to  
21 the corporation under section 504.504.

22     (2) *b.* If the corporate name in subsection 1, paragraph  
23 "c", is different from the corporate name in subsection  
24 1, paragraph "a", the certificate of reinstatement shall  
25 constitute an amendment to the articles of incorporation  
26 insofar as it pertains to the corporate name. A corporation  
27 shall not relinquish the right to retain its corporate name  
28 if the reinstatement is effective within five years of the  
29 effective date of the corporation's dissolution.

30     Sec. 15. NEW SECTION. 524.1423 Secretary of state — extra  
31 services — surcharge.

32     Upon the request of a filer of a document under this chapter,  
33 the secretary of state shall provide an extra filing service  
34 and assess a surcharge as provided in sections 9.14 and 9.15.

35                                   EXPLANATION

1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill relates to filing services offered by the  
4 secretary of state (secretary).

5       The bill includes surcharge fees for services offered by  
6 the secretary under Code section 9.15. The bill provides that  
7 a one-hour service shall have a \$250 surcharge, and same-day  
8 service shall have a \$175 surcharge. The bill provides that at  
9 the time of the expedited filing, the secretary shall provide  
10 the filer with written confirmation of the filing.

11      The bill makes changes to Code chapter 489, relating to  
12 limited liability companies, Code chapter 490, relating to  
13 business corporations, Code chapter 501, relating to closed  
14 cooperatives, and Code chapter 504, relating to nonprofit  
15 corporations, referred to collectively as "entity". The bill  
16 strikes a provision relating to federal tax identification  
17 number inclusion on an application for dissolving an entity.  
18 The bill also strikes a provision requiring the secretary to  
19 refer the federal tax identification number in the application  
20 for reinstatement of an entity, and for the department  
21 of workforce development to report to the secretary the  
22 tax status of an entity. The bill additionally strikes a  
23 provision requiring the secretary to refrain from canceling  
24 the declaration of dissolution of an entity until the filing  
25 delinquency or liability is satisfied upon a specified report  
26 by the department of workforce development.

27      The bill removes a requirement that the secretary collect a  
28 biennial report document from Code section 490.122. The bill  
29 provides that the secretary may impose, assess, and collect  
30 a filing fee as a condition to accept a biennial report in  
31 Code section 490.1621 (relating to biennial reporting to the  
32 secretary) and a filing fee shall be determined pursuant to  
33 Code section 490.122.

34      The bill permits banks to use preclearance and expedited  
35 filing services offered by the secretary of state's office.